MR. T. K. NARAYANA PILLAI : My question was "if so when"?

DEWAN BAHADUR L. VENKATAKRISHNAN : Very recently.

MR. T. K. NARAYANA PILLAI : May I know how many months elapsed since the estimate has been prepared ?

DEWAN BAHADUR L. VENKATAKRISHNA : Only a few weeks.

Time limit for retaining a bill.

166. * MR. P. S. MOHAMED (*Nominated*) : Will the Government be pleased to state whether any time limit is fixed for retaining a bill in the office of passing officers in the P. W. Department ?

DEWAN BAHADUR L. VENKATAKRISHNAN : Yes.

MR. P. S. MOHAMED : May I know the extent of the time limit in the Section Office, Sub-Division Office and the Division Office ?

DEWAN BAHADUR L. VENKATAKRISHNAN : Section Office one month, Snb-Division Office 2 weeks and the Division Office 1 month.

Travelling allowance to the members of the P. W. D. Advisory Committee.

167. * MR. PULIYOOR T. P. VELAYUDHAN PILLAI (*Tiruvalla*) : Will the Government be pleased to state :

(*a*) whether any resolution passed at the meeting of the P. W. D. Advisory Committee regarding the D. A., and T. A. to the members of the P. W. D. Division Sub Committee; has been submitted to Government by the Chief Engineer;

(*b*) whether Government have reconsidered the question of such T. A., and D. A. to the members of the P. W. D. Division Sub Committees, in the light of the peculiar circumstances in which sub committees have to function ; and

(*c*) if the answers to (a) and (b) are in the affirmative, the results of the same ?

DEWAN BAHADUR L. VENKATAKRISHNAN : (*a*) Yes.

(*b*) The matter is under consideration.

(*c*) Does not arise in view of the answer to part (*b*).

MR. K. A. MATHEW : May I know who met the local expenses of this sub-committee when they visited the place ?

DEWAN BAHADUR L. VENKATAKRISHNAN : I am not aware. They have not told me.

Supervision over Chemicals and Fertilisers Ltd.

168. * MR. P. O. THOMAS (*Kunnatnad* cum *Parur*) : Will the Government be pleased to state whether in view of the large investments by our State they have any supervision over the working of Chemicals and Fertilisers Ltd., at Alwaye and the nature of the supervision ?

MR. C. KUMARA DAS (*Secretary to Government*) : Government as one of the major share-holders have an effective voice in shaping the policy of the Company but over the day to day administration of this concern, which is an incorporated company, Government have no supervision.

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MR. P. O. THOMAS : May I know from the honourable member what he means by "the general policy of the company ?

MR. C. KUMARA DAS : The policy of constructing the works and carrying on the manufactures.

MR. P. O. THOMAS : May I know whether he will agree with me when I say that the success of the company will depend upon the success of the day to day administration of the Company ?

MR. C. KUMARA DAS : It is a matter of opinion.

MR. P. O. THOMAS : Will the giving of contracts and the recruitment of staff form items in the general policy of the company?

MR. C. KUMARA DAS : They do not form part of the general policy But they form part of the actual day to day work of the company.

MR. P O. THOMAS : If the day to day administration of the Company is not fixed, will not the major shareholders be put to loss if the Company fails ?

MR. C. KUMARA DAS : It is being watched by the Directors of the Company ?

PRESIDENT : Government have nominated some Directors. The head of the Company is one of the most eminent men in India, the honourable Sir, N. Gopalaswami Aiyengar who was the Prime Minister of Kashmir and who has recently retired. He is one of the Directors, and other eminent business men are also on the Board. They cannot be expected to be anxious to have a concern of this sort a failing concern. Government cannot possibly look after the giving of contract or details with regard to the entertainment of staff. I want to make the reason quite clear. Supposing Government decide that a particular contract should be given to A and not to B. Or supposing Government say that they want to appoint X and not Y and supposing the work is not properly done. Who will answer the share-holders—the Government or the Directors? So, Government are of the view that they should not go into the details. They have nominated the Financial Secretary and another person to be on the Board of Directors of the company and the accounts will be scrutinised. The Government Directors have been told that, as far as possible, they should not interfere in the day to day administration of the company because the responsibility for conducting the business in a business-like fashion is upon the very eminent men who form the Board of Directors.

MR. P. O. THOMAS : My point in asking the question is this. If the company in which Government have taken 51 per cent of the share is left in the hands of eminent men, and suppose the Company fails to rise up to the occasion, what will be the result ?

PRESIDENT : What is the alternative ?

MR. P. O. THOMAS : Government must have a supervision on the day to day administration.

PRESIDENT : It is impossible. It is the definite policy of the Government not to do so. I have been a Director in some concerns and I know how much I neglected those concerns as a busy lawyer. I was the Director of the first Indian Bank started in India. On account of my other avocations, I looked very summarily into important papers which came to me. I do know that I landed that Bank in some difficulties. Afterwards I decided not to be the Director of a Bank.

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Then I became the Director of an Industrial concern. I was responsible for entering into a contract which broke that industrial concern. Afterwards I decided not to be the Director of any industrial concerns. Busy members of the Legislature and officers who have to attend to routine business, looking into files and dealing with objections to claims and other matters connected with office routine cannot be expected to be successful as Directors in such concerns. If they are appointed I think the company's future will be gloomy.

I will give another instance. Some of us, Mr. Krishnaswami Iyer, Mr. P. R. Sundaram Aiyar and myself subscribed a large amount for the purpose of starting the Swadesi Steam Navigation Company at Tuticorin. We each invested 50 to 60 thousand rupees in that concern. The amount was a great sum in those days. We appointed a Director who was an expert; and the expert gave us some advice. We over ruled that advice and placed orders for a particular vessel. That vessel, it so turned out, was not a cargo but a passenger vessel and, as a result, we lost heavily and the company was wound up. And I consider that as one of the big catastrophes that has befallen the Swadesi movement; I hold myself, Mr. Krishnaswami Aiyar, Sundaram Aiyar and Bashyam Aiyengar as directly responsible for that collapse. I have, therefore, made up my mind that no Government servant should have anything to do with any commercial concern.

MR. P. O. THOMAS: Sir, in order to look into and supervise the day to day administration of the Company, why not a special staff be appointed.

PRESIDENT: We do not propose to so. If the Honourable Member wants to pass a vote of censure, he may do so.

No Government, in my opinion can and should exercise any effective supervision or control in any commercial concern. The moment it tries to do so. in view of the urgency of the works in the companies and the careful examination required, the supervision either will be illusory or mischievous in both of which cases it is a mistake. It is a definite policy that I will state. After having had the experience of twenty-five years, during which I indulged in the hope of taking shares in the Swadesi concerns—I do not want to be autobiographical, but honourable members may be aware that many of us lost heavily; I have myself lost nearly six and a half lakhs in many of the Swadesi concerns—I may say that the lawyer-Director or the Government servant trying to get into the work of commercial concerns is the person responsible for the collapse of such concerns.

MR. P. O. THOMAS: Sir. I think there is a great difference between this Company and the others, because we have subscribed more than fifty per cent of the shares in this Company. Therefore it is that I ask: Why not the Government appoint others who will find time to supervise.

PRESIDENT: That will not be done, because *ipso facto* it is impossible for the Government servants to attend to other avocations. The training imparted to the Government servant is different; he has to write notes peruse the files, try to deal with every aspect of a question and try to delay hasty decisions being arrived at. That is the function of the Secretariat staff. It is a very useful institution because it prevents hasty conclusions being formed and implemented. The Secretariat as

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[President.]

far as possible cannot look into such matters as it will only hamper the work of those commercial concerns. Most of the Government Servants—I do not mean any disrespect to the worthy men occupying the Treasury Benches—but most of them are absolutely unfit to tackle any commercial enterprise.

MR. K. A. MATHEW: Sir, may I know whether Sir Gopalaswamy is devoting his full time to the Company's work?

PRESIDENT: As chairman of the Company the honourable Sir, Gopalaswamy Aiyengar, who has had considerable experience in running big enterprises and who, in the opinion of this Government, is probably one of the three or four of the most eminent political economists and men who have thought deeply on such matters in India, we hope will see that it is managed successfully.

MR. E. K. MADHAVAN (*Kunnatnad* cum *Parur*): Sir, why not the Government appoint a separate Officer to inspect these companies?

PRESIDENT: What is there to inspect?

MR. E. K. MADHAVAN: To inspect the day to day work of the Company.

PRESIDENT: Order, order; We do not propose to do so.

Chemicals and Fertilisers Ltd.

169. *MR. P. O. THOMAS: Will the Government be pleased to state

(*a*) whether any portion of reserve forest was put in the control of the Chemicals and Fertilisers Ltd.;

(*b*) if so, what the extent of that forest is; and

(*c*) what amount the company is to pay to the Government per annum for that?

MR. C. KUMARA DAS: (*a*) No.

(*b*) & (*c*). Do not arise in view of the answer to (*a*).

MR. K. K. CHELLAPPAN PILLAI (*Mavelikara* cum *Kunnathur*): Ma I know Sir, whether timber has been arranged to be supplied to thy Company at concessional rates?

PRESIDENT: No timber is now necessary for it?

MR. K. K. CHELLAPPAN PILLAI: May I know whether any contract has been entered into in the matter of timber?

MR. C. KUMARA DAS: No, Sir.

MR. E. K. MADHAVAN: Sir, may I know whether any negotiations are going on to put any of the reserved forests under the control of the Company?

MR. C. KUMARA DAS: Sir, there are no negotiations to put any of the reserved forests under the control of the Company.

Treasuries.

170 *MR. M. K. MOHAMED (*Kunnatnad* cum *Parur*): Will the Government be pleased to state:

(*a*) whether they are aware that great delay and inconvenience are felt by the public who have to transact business in the Government treasuries; and

(*b*) if the answer to (*a*) is in the affirmative, whether they would take steps to see that the speed of disposal would be brought up to the standard of the best banks in the country?

MR. G. NARAYANAN TAMPI (*Secretary to Government*): (*a*) No.

(*b*) This does not arise in the light of the answer to (*a*) above.

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